



CITY OF CHICAGO • OFFICE OF THE MAYOR



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TAXSMART HOMEBUYER PROGRAM WILL CONTINUE TO PROVIDE INCENTIVES TO SUPPORT NEW HOMEBUYERS

City Council today passed an ordinance that authorizes the Commissioner of the Department of Housing (DOH) to continue to issue its Single-Family Mortgage Credit Certificate Program, known as the TaxSmart Program. This program provides homebuyers with a direct dollar-for-dollar reduction of federal taxes due to the Internal Revenue Service (IRS).

The TaxSmart Program provides a federal tax credit of up to \$2,000 per year to home buyers for the life of the mortgage loan and thereby increases a home buyer’s income and income ratios utilized for mortgage loan qualification. Homebuyers can refinance their mortgage loans and retain their Mortgage Credit Certificate.

The new allocation of \$75 million of the City’s activity bond volume cap to implement the new series will allow the department to issue Series 2022 Mortgage Credit Certificates to home buyers in the City of Chicago for the next three-year period (2022 -2024) assisting approximately 300 home buyers. Federal law requires program applicants to satisfy income and purchase price limits. Applicants who are not first-time homebuyers must purchase in a target area.

TaxSmart Series 2022 First-Time Homebuyer or Target Area Purchase Requirements:

Income Limits:

	Non-Target Area	Target Area
Less than 3-person household:	\$93,200	\$111,840
3 or more-person household:	\$107,180	\$130,480

Purchase Price Limits:

	Non-Target Area		Target Area	
	Existing	New	Existing	New
1 Unit	\$332,236	\$332,236	\$406,066	\$406,066



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2 Units	\$425,297	Ineligible	\$519,807	\$519,807
3 Units	\$514,112	Ineligible	\$628,359	Ineligible
4 Units	\$638,908	Ineligible	\$780,888	Ineligible

Since 2005, the TaxSmart Program has assisted 2,132 households with mortgage loans for a total of more than \$321 million. TaxSmart Series 2019 has assisted 115 households with mortgage loans totaling over \$23 million as of September 2021 – 50 of which are at or below 80% of the area median income (AMI). The TaxSmart program promotes homeownership in all Chicago neighborhoods thus increasing neighborhood stability.

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EIGHT NEW TWO-UNIT HOMES PLANNED FOR NORTH LAWNSDALE

City Council today passed an ordinance to authorize the sale of seven (7) parcels to Prodigy LLC to facilitate the construction of eight (8) two-unit homes under the City Lots for Working Families (CL4WF) program.

The City Lots for Working Families program was approved by City Council in November 2017 and authorizes the sale of city lots for \$1 (per buildable lot) to provide an incentive for developers to build new housing. Seventy-five percent of the homes must be priced to be affordable to purchasers at the 120% area median income (AMI) level. Emelin Brown is the Managing Principal.

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NEW ORDINANCE TO WAIVE CITY DEBT ON VACANT AND ABANDONED PROPERTIES IN LOW- AND MODERATE-INCOME COMMUNITIES FOR COMMUNITY REVITALIZATION

City Council today passed the Encumbrance Ordinance which will relieve City debt on vacant and abandoned properties in low- to moderate-income communities that have the opportunity for rehabilitation and reoccupation for homeownership and business development. Supported by the departments of Housing (DOH), Law (DOL), and Buildings (DOB) for community revitalization, DOH plans to utilize various housing preservation programs to increase the opportunity to bring vacant and abandoned buildings.

“With this ordinance, Single Family Homes in the 7th ward will be able to be redeveloped, improving neighborhood vitality, and creating pathways to homeownership for residents,” said Alderman Greg Mitchell, 7th Ward. “Thank you, Mayor Lightfoot and my fellow City



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Council members, for supporting this effort and recognizing the importance of removing roadblocks to development in communities like South Shore, South Chicago, Calumet Heights and Jeffery Manor that have an abundance of vacant properties that were once occupied by homeowners.”

The Encumbrance Ordinance provides the authority to waive City debt as a necessary component of revitalizing buildings in low- to moderate-income communities where values are low and the ability to develop without subsidy is almost impossible. Waiving City debt eliminates the hurdle of added costs to properties that are already under-valued and provides an incentive to redevelop the lots.

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